

HOUSE BILL 967

By Shaw

AN ACT to amend Tennessee Code Annotated, Title 12
and Title 67, relative to state contracts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 12, Chapter 4, Part 8, is amended by adding the following language as a new section:

(a) This section shall be known and may be cited as the "Tennessee First Act."

(b) As used in this section, "Tennessee business" means a business that is a continuing, independent, for-profit business which performs a commercially useful function with residence in Tennessee.

(c)

(1) Except for public construction contracts and contracts with the department of transportation, whenever the lowest responsible and responsive bidder on a state contract for goods and services is a resident of another state which is contiguous to this state and which allows a preference to a resident contractor of that state, then a like reciprocal preference is allowed to the lowest responsible and responsive bidder on the contract who is a Tennessee business.

(2) Subdivision (c)(1) shall only apply to state contracts for goods and services where the preference allowed in the contiguous state is equal to or exceeds the allowance in subdivision (d)(2).

(d)

(1) Notwithstanding any law to the contrary, the chief procurement officer shall promulgate rules authorizing an allowance for Tennessee businesses in the

evaluation of bids and proposals for state contracts for goods and services in accordance with this section.

(2) The allowance to be given to a Tennessee business shall not exceed five percent (5%) of the lowest responsive, responsible bidder meeting specifications and shall be applied on a sliding scale in the following manner:

(A) Five percent (5%) shall be allowed for contracts up to one million dollars (\$1,000,000);

(B) Four percent (4%) shall be allowed for contracts between one million dollars (\$1,000,000) up to ten million dollars (\$10,000,000);

(C) Three percent (3%) shall be allowed for contracts between ten million dollars (\$10,000,000) up to twenty-five million dollars (\$25,000,000);

(D) Two percent (2%) shall be allowed for contracts between twenty-five million dollars (\$25,000,000) and up to fifty million dollars (\$50,000,000); and

(E) One percent (1%) shall be allowed for contracts that exceed fifty million dollars (\$50,000,000).

SECTION 2. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act shall be severable.

SECTION 3. This act shall take effect January 1, 2016, the public welfare requiring it, and shall apply to contracts entered into or renewed on and after that date.